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AND

KOWLOON DISPENSARY.

Hongkong, 19th December, 1908.

The Hongkong Telegraph

HONGKONG, THURSDAY, DECEMBER 31, 1908.

THE DYING YEAR.

We close the year to-day with prospects no better than at the beginning of 1908. While it is no pleasant duty to become pessimistic, there appears to be no ray of hope in the commercial horizon that the immediate future will bring better times and greater prosperity to residents in the Colony. As a matter of fact, we were one to take a calm view of the outlook, the conclusion must be forced upon one that we enter upon the new year with anything but brilliant prospects. So far as 1908 is concerned, no events of a momentous character have to be chronicled in the history of the Colony for the past twelve months. We have maintained our relations with our immediate neighbours in terms of perfect amity. At Canton, Viceroy Chang Jen-chun still controls the destiny of affairs in the Two Kwang Provinces; the only change that was made in the personnel of his foreign staff is our old friend T'at'ai Wen, who has been promoted Junior Amban at Lhasa. The *Tatui Maru* incident, with its subsequent developments, and the effective boycott in Hongkong by the Cantonese of Japanese manufactures and shipping, have formed the subject of an exchange of communications with the Viceregal authority in Canton, but at no time were Hongkong representations received with anything but the most friendly spirit by the Viceroy. On the retirement of Consul-General Mansfield, Mr. H. Fox succeeded him as H.M.'s representative at the Southern Provincial Capital. It fell to the lot of Mr. Fox to combat the obstructive regulations promulgated at Canton and Swatow with a view of restricting the Hongkong raw opium trade. Mr. Fox's sympathetic attitude towards the British merchants secured all that was desired in the interests of this Colony. The death of a Chinese passenger on board the *Fatshan*, en route to Canton has been made the subject of some irritation by the middlemen interference of the Self-Government Association of Canton. The Consular inquiry exonerated the watchman on board the steamer from all blame in connection with the death of the Chinaman,

but the matter awaits further investigation at the Portuguese Consulate-General in Canton. The completion of the fast river cruisers by the local shipyards brought about the more effective patrol of the riverine districts, but much yet remains to be effected before piracy can be wholly exterminated within the delta. Armed robberies and brigandage have been as rife as ever, to the detriment of inland trade. A more efficient Police system in Canton and surrounding districts would reduce the lawlessness prevailing in the Southern province. Our relations with the Portuguese Colony of Macao remain as cordial as ever. Governor Rogada has succeeded Governor Coutinho in the Portuguese settlement, and, but for the seizure of the *Tatui Maru* within the territorial waters of Macao, there is no outstanding incident to be chronicled in connection with the neighbouring Colony. In Hongkong itself, the opium question has been the all-absorbing topic of the year. The peremptory orders of the Secretary of State to close the opium divans, which threatened the partial extinction of a large portion of the Colonial revenue, have, thanks to the representations of the Governor, been held in abeyance. Considerable research has been made into the opium problem with a view of placing the British delegates to the forthcoming Shanghai Conference with the latest available data. The nomination of Mr. Cecil Clementi as the Colony's representative to the forthcoming Conference has been received with general satisfaction. At the end of July, the Colony was visited by a typhoon of unusual severity, dealing considerable destruction to property both ashore and afloat. The floods on the West River in the summer evoked considerable sympathy from residents, both European and Chinese, and had the effect of temporarily disorganising the course of trade. In November, the anti-Japanese boycott culminated in rioting in the western and central districts of the city, with the subsequent proclamation of the Peace Preservation Ordinance and the banishment of some eight Chinese merchants and publicists. This latter Government measure called forth protests from the Chinese, as a result of which representations were addressed to Government by the China Association and the Chamber of Commerce lest trade might be disorganised by the apprehensions of the Chinese that further banishment orders were contemplated against certain members of their community. The enforcement of the Peace Preservation Ordinance was cancelled this week. With the exception of the Public Health Amending Bill, no important enactment was passed by the Legislature. The amendment to the Magistrates Ordinance making expropriating in public places a punishable misdemeanour, has formed the subject of some irritation, and at a meeting of the Chinese Commercial Association the other day, it was resolved to present a memorial to the Colonial Office, protesting against the new legislation. The finances of the Colony are in no better condition than it was last year. A tax on shipping has had to be imposed to defray the cost of the typhoon shelter at Mong-kok-tui, and it is on the topic that fresh taxation will be considered in connection with the estimates for 1910, when, probably, the deficiency in the opium revenue will have to be made good. No charges, excepting those of a provisional character, have been made in the constitution of the Legislative Council. During the absence on home leave of the Hon. Mr. E. A. Hewitt, Mr. Murray Stewart acted as his *locum tenens* with the ability which has distinguished him as a foremost citizen-advocate in advancing the cause and interests of the Colony. Mr. Stowe continues to hold his seat in place of Mr. R. Osborne. A departmental retirement committee has been appointed in order to consider and report upon means for effecting savings in the expenditure of the Colony. In the matter of education, Sir Frederick Lugard has taken up in real earnest a project for the establishment of a university for Hongkong. The details of the scheme have not yet been announced, and they are so far advanced that we believe before long the public will be in possession of the facts relating to the Governor's proposed institution. The Kowloon-Canton Railway is making as good progress as can be expected, with the engineering difficulties that have been met with in the boring of the tunnel and the construction of bridges. In naval affairs, Sir Arthur Moore on retirement was succeeded by the Hon. Sir Hedworth Lambton as Commander-in-Chief on the China Station. The defences of the Colony remain under the vigilant eyes of H.E. Major-General Broadwood. The British regiment in garrison (3rd Middlesex), upon their departure, was replaced by The Buffs, who arrived in the Colony last month. Elsewhere, a review of the trade during 1908 is presented with considerable detail, and passing over the minor incidents and events which have already been chronicled in our columns in the course of the year, we close a brief retrospect with the time-honoured wish to all our readers of—

A HAPPY NEW YEAR.

LOCAL AND GENERAL.

THERE will be no issue of the *Hongkong Telegraph* to-morrow, New Year Day.

New advertisements are printed on the seventh page to-day.

A fatal case of plague is reported to-day at No. 12, Moon Street.

The staff of the Hongkong and Whampoa Dock Company will hold their annual ball to-night. Dancing begins at half-past eight, and for the convenience of those invited, a launch will leave Blake Pier at 7.45.

DETECTIVE Sergeant Terrett prosecuted a Chinaman named Mok Lai Chi, a shopkeeper, of 14, Lyndhurst Terrace, with selling poison, to wit, strychnine, without being a licensed druggist, and also with not labelling the bottles with labels bearing the word "Poison." Defendant pleaded guilty to the charges and was fined \$10 on each count.

In the Police Court, this morning, the woman—Heung Kau—who was charged with administering arsenic poisoning to her husband—Bhola Singh—at Kowloon City, last month, particulars of which we have already published, was found not guilty of the charge, and was accordingly released from custody. In his dying deposition taken by a magistrate, he believed that Bhola Singh did not accuse his wife of giving him the poison.

In a fight which took place in an opium divan at West Point on Tuesday night, a coolie was stabbed in the back. His alleged assailant was arrested and charged in the Police Court, this afternoon. It would seem from the evidence that the two men were smoking opium on the same bed, and a quarrel arose between them over the opium lamp, which both men were using. This led to blows and the stabbing followed. Mr. J. R. Wood convicted the accused of assault only and fined him \$10. The fine was paid.

The ball which was to have been given on board by the officers of the Italian cruiser *Venepio*, with the assistance and co-operation of the *Puglia*, has unavoidably fallen through on receipt of the news of the disastrous earthquake in Italy. Verbal invitations had already been made to a number of prominent residents, who will regret to learn that the function has had to be put off indefinitely. The regatta which is to be held in the harbour to-morrow is to be of a private character also, instead of a public event as at first contemplated.

CORRESPONDENCE.

[We do not necessarily endorse the opinions expressed by correspondents in this column.]

CRUELTY TO CHICKENS.

TO THE EDITOR OF THE "HONGKONG TELEGRAPH." DEAR SIR,—We wish to appeal through the local press to all house-keepers in Hongkong, who have their chickens brought alive to their houses from the market or Dairy Farm.

If ladies only realized when they write "one chicken" in their correspondence book what suffering will almost certainly befall that wretched bird before it arrives at their house, we feel sure that they would provide a proper basket for its transit.

How often one sees a coolie carrying the usual market basket with a chicken, its legs tied, resting precariously on the lid, or hanging head downwards, and one shudders to think what must often happen to the chickens in the wild rush for seats in the Chinese portion of the tram, when basket is piled upon basket, and excited coolies fight for places.

We, therefore, appeal, in the interests of humanity, to all house-keepers to either have their chickens killed in the market or Dairy Farm, or else to provide a separate basket for their transit, and to insist upon its being used.

Yours faithfully,

H. MAY.

L. POLLOCK.

D. HASTINGS.

P.S.—Kwong Tai Loy, 16, Queen's Road Central, opposite the Hongkong Hotel, has a supply of light and suitable baskets at 20 cents each.

Hongkong, 31st December, 1908.

KIDNAPER CONVICTED.

WOMAN WHO TOOK TWO BOYS TO SAMCHUN SENT TO GAOL.

Chao Kiu, the woman, who the other day was charged with kidnapping two boys, aged thirteen and fourteen, respectively—one of whom, it will be remembered, told such a stirring tale of how he was taken to Samchun, sold, and made to cut grass on the hillside, and how he escaped—was brought up, on remand before the first police magistrate (Mr. J. H. Kemp) this afternoon.

Sergeant O'Sullivan conducted the case for the prosecution, while Mr. P. Sydenham Dixon appeared for the defence.

Tung Chi, a seaman, the husband of the defendant, said he met his wife four years ago, and for the last three years or so he had been to England on his boat. Before that, however, he lived with her at Shau-ki-wan. While in England he sent her money, but she did not receive it and the money order was returned. He came back to Hongkong in the latter end of September and found his wife in Third Street. At about one o'clock on the morning of the tenth instant witnessed was awakened by the police, who asked him and his wife to dress and accompany them to the Central Police Station. Witness inquired "what it was all about," and an officer told him that his wife was a kidnapper, and told him the story. He asked his wife what she did it for. She said, because Ip Po gave her \$1. Ip Po, who, the defendant alleged, was the real kidnapper, has since disappeared.

The Court—When the woman was arrested, she did not know what the matter was. She did not know what the matter was. She did not know what the matter was.

Mr. Dixon—When your wife was arrested, did the police tell her for what she was arrested?—No, not until we got half way.

His Worship said that according to defendant's own words she took the boys out of the Colony for \$1, and she did not know the boys. He found her guilty and sentenced her to six months' hard labour.

Telegrams.

[Renter's.]

The Earthquake in Italy and Sicily.

LONDON, 29th December.

The earthquake was accompanied by a wave of 30 feet high.

Many were drowned at the coast towns and Messina, Reggio and Calabria are reported to be practically destroyed.

The rumour that thousands have perished is not confirmed.

All the telegraphs and telephones are broken.

A naval division has started from Naples to Messina.

The captain of the frigate *Passino* perished at Messina.

The shocks were of frightful intensity and the seismic apparatus throughout Italy has been broken.

Later.

The Recent Earthquake.

Messina is a mass of ruins.

Refugees report that the Hotel Trineria, with the staff and ninety visitors, the town hall, the bourse, the post office, and the barracks are destroyed.

Most of the villages on the coast of the Straits of Messina are in ruins.

CANTON DAY BY DAY.

A TAOIST'S HOLIDAY.

[From Our Own Correspondent.]

Canton, 30th December.

His Honour Fung Kai Kwan, Taoist of Constabulary in Hupoh, who is a native of Canton, has been granted one month's leave of absence by the Viceroy of that province to proceed south to pay a visit to his home.

A CHILD-BLOODED MURDER.

A week ago, a robbers' den in Fung Wong Kong, Hopam, was destroyed by soldiers on information received by them, from a man surnamed Tam, who lived in the neighbourhood. In consequence of their den being destroyed, the robbers determined to get even with Tam and, on the 27th instant, they attacked the latter in a body and foully put Tam's whole family to death—four members in all—Tam himself, his wife and two children. The matter was immediately reported to the Nambai magistrate by the neighbours and on the following morning that official hastened to the spot to make an inspection of the corpses.

AN IMPOSTOR'S FATE.

Chui Shai Yung, who has been exceedingly ingenious in obtaining money under false pretences from various persons, has now been sentenced by the Nambai magistrate to one year's imprisonment in the reformatory. Chui is a young man of about twenty-one years of age, and hails from Kuala Lumpur. He came to Canton only two years ago. He dresses himself in foreign style, and he can write both English and French fairly well, besides being able to speak eight languages. He made his appearance at the Police Station the fourth time when he was last arrested.

PROTECTION AGAINST PIRATES.

Cases of piracy have been frequently reported recently in the prefecture of Waichow, the Commander-in-Chief Chui Ping Chik has therefore applied to the Viceroy for the sanction of a sum of about \$10,000 for the building of twenty-six forts, as guard-houses, in the different sections along the East River from Pok Lo to Ho Yuen, a distance of some two hundred and sixty li. The Commander-in-Chief's proposal has been authorized by the Viceroy.

THE "FATSHAN" INCIDENT.

A general meeting has again been convened to-day at 1 o'clock by the members of the Self-Government Society in connection with the *Fatshan* incident. In the circular issued to call the meeting it was stated that the allegation that the Society has bribed witnesses, as for the case is not only injurious to the reputation of the Society itself but to the people of the whole province of Kwangtung, so that urgent steps are necessary in order to lodge a protest against the false accusation.

ADMIRAL LI CHUN.

Admiral Li Chün will shortly proceed up the West River to make an inspection of the water-ways.

CHINESE NEW YEAR.

The official seals in all the yamens here will be closed for the transaction of business on the 19th day of this moon, until the 19th day of the next moon on the occasion of Chinese New Year holidays.

JAPANESE VISIT SCHOOLS.

The five Japanese officers who arrived here the other day on a holiday paid a visit to the various schools and other institutions in the city to-day.

POLICEMAN INJURED.

FREE FIGHT AT WEST POINT.

Indian policeman 762 was sent to the Government Civil Hospital yesterday afternoon, suffering from a severe cheek wound, which was inflicted by a coolie, who escaped, in Wing Loong Lane, earlier in the day. It would appear that about two p.m. yesterday a dispute took place between two godown coolies, on the one side, and a number of outsiders, who had been sent to the godown to take delivery of some cargo. The godown men, it was asserted, accused the coolies of seeking some goods, and there was a free fight. Pacemakers were sent to hand, including an Indian policeman, and the disturbance subsided, but not before one of the coolies had struck the Indian on the cheek with a cargo hook, tearing the flesh off for a couple of inches. His assailant then made away at once. One man, who gave the name of Tang On, was arrested on a charge of disorderly conduct. He was brought before Mr. J. H. Kemp in the Police Court, and was remanded.

HONGKONG'S VITAL ASSETS.

COLOSSAL FIGURES OF OPIUM IMPORTS.

A PROSPEROUS YEAR FOR THE YARN TRADE.

GENERAL DEPRESSION IN SHIPPING AND STOCK EXCHANGE.

UNPROFITABLE OUTLOOK FOR THE NEW YEAR.

In presenting the trade retrospect this day last year we made it clear that we should not be faithful to our mission were we to raise false hopes by painting the future in lurid colours, or gloss over the past and the then present in order to conceal the true position of affairs as revealed by a close inquiry into the trade of Hongkong during 1907. The course of events in the commercial world of the Colony and its dependency during the twelve months which close to-day presents, with a single exception, a dismal record of trade depression, business stagnation and loss generally to those engaged in the different branches of trade with Europe, America, and China. The single exception has reference to the second most important commodity which is represented in the commercial statistics of the port, namely, cotton yarn. The revival in the healthy tone of this most important article of commerce is a happy augury of the revivifying power of Chinese merchants and traders, whose ability in so soon restoring strength and confidence after the stunning blow dealt by speculators in 1906-1907 is a remarkable testimony of their inherent business capability and invaluable asset which they so materially contribute towards the prosperity of this Colony. The great British dependency of India contributes yet another and by far the most valuable import which has figured in the trade of Hongkong during 1908. The prohibitory Edict of the Chinese Government has been responsible for an enormous appreciation in the value of opium, the rise being something like twenty-five per cent. in the case of the Bengal drug and thirty per cent. in the case of the Malwa article. With consumption maintained at its normal level it was not surprising that the gross value of the trade rose from \$7,700,000 in 1907 to \$11,038,320 in 1908. The announced reduction in sales by the Government of India next year may have the effect of further enhancing the value of the drug in 1909. Those engaged in the flour-trade with the Pacific Coast have had an unsatisfactory record to look back upon for 1908; 16c with flour below the parity of wheat in the local market the trade failed to secure any profits. It was a bad year for millers, merchants, and middlemen alike. The year witnessed the closing down of our youngest industry and the winding up of the Hongkong Flour Milling Company into which so much capital had been sunk and on which such high expectations had been raised. The exhaustive review of the shipping trade presented below is one continuous record of "hope long deferred." At no time in the year did freight maintain a paying level to shipowners; the large number of vessels which had to be laid up for want of employment tells more eloquently than words of the severe depression through which the trade of the Colony is passing. In the coal traffic the carefully prepared summary, with which we have been favoured, presents no special feature. The exploitation of the Borneo coal-fields is yet in its initial stage, and though the carboniferous grounds of Borneo have been proved to exist beyond a doubt the earliest tests of the experimental shipments to Hongkong have not demonstrated the possibility of successful competition with the cheaper products of Japan. In sugar and rice, merchants have not made any fortunes. As regards the Stock Exchange Market brokers agree in the opinion that the year has been the very worst in the whole course of their experience. There was a complete absence of forward purchases and sales. Shares changed hands only for investment purposes. Some of the leading stocks show serious depreciations, amounting to millions of dollars. The silver market has been an important factor in determining the course of trade in China; there have again been fluctuations, especially so towards the close of the year which have produced very disturbing effects in the import trade of the Colony. The outlook for the New Year is enshrouded in uncertainty and it is not safe to predict anything like a more hopeful prospect for the near future than the immediate dismal past.

OPIUM.

The immediate effect of the prohibitory Decree of the Peking Government of the 20th September, 1906, against the cultivation and consumption of opium was felt by those engaged in the opium trade in China, firstly, by the reduced sales by public auction of the drug by the Indian Government in Calcutta; and, secondly, by the interpretation which the Provincial Governments in China sought to place upon the Eleven Articles for carrying out the prohibition of opium. In 1908 the Indian Government sold only 46,830 chests of Bengal against 50,400 chests in 1907. As for the action of the Chinese Provincial authorities, it has had the effect of hampering the freedom of trade in the drug in a very material degree. First at Nanking, then at Canton, subsequently at Swatow, and more recently in the Northern province of Kiangsu specific regulations have from time to time been promulgated which, in their effect, placed restriction

upon the trade in violation of Treaty stipulations. The Chinese Government now seeks to justify its attitude by the acceptance by the Foreign Powers of the Regulations which formed the enclosure to Sir John Jordan's despatch to Sir Edward Grey of the 26th November, 1908. The Waipatu claims that the tacit approval of the Articles might be construed into a supersession of the provisions of the Treaty—a contention that is hardly tenable and one which we have every reason to believe is strongly opposed by the British merchants concerned in the opium trade. With such disorganizing influences at work like the efforts of the Chinese officials at creating monopolies, an impracticable system of licensing sellers and buyers of raw opium, the limiting of a minimum saleable quantity to one whole "ball," and the narrowing down of the number of privileged licensed dealers—it is little wonder that suspicion and anxiety have been engendered in the minds of importers, traders and consumers alike with the result that the trade did not enjoy the even tenor of its way throughout the year. There have been, in consequence, violent fluctuations in quotations, further accentuated by the decline in silver. These and other elements of uncertainty were calculated to create a disturbing effect, and in looking backward the year's operations might be summed up in the single word "unsatisfactory."

The total importations into Hongkong for the year were as follows:—

Bengal.....	31,524 chests.
Malwa.....	4,655 chests.
Persian.....	2,192 chests.

Hongkong is the principal market for Bengal; Shanghai for Malwa; and Formosa for the Persian drug. The estimated consumption in Hongkong of Malwa is about 350 chests a month, the rest of the imports going to Shanghai and China ports. China takes a very small proportion of the Persian article; from 1,200 to 1,400 piculs. Purchases are made almost exclusively on Japanese Government account, who control the sale of the drug in their insular dependency as a State monopoly.

For reasons already given prices underwent frequent ups and downs, as will be seen from the following tabulated figure:—

	Highest.	Lowest.
Patna.....	\$1,210.	\$1,035.
Benares.....	1,160.	1,010.
Malwa.....	1,330.	950.

Good demand arising towards end of April market became very active and prices soared high until it attained the maximum about middle of May for both Patna and Benares. A reaction setting in, prices gave way again and fell off to \$1,055 in July when another spurt was experienced owing to stocks both in the hands of dealers in Hongkong and in the consuming districts having reached a very low figure. There was a lull in August, only to be revived in the following month when the boom in Malwa helped the Bengal product in the upward movement as to prices also. Throughout September and for the first half of October both demand and prices were well maintained. The last quarter of the year proved unfavourable for Patna and Benares when the lowest points touched, were recorded on the 24th December, with prices quoted at \$1,095 and \$1,010, respectively. The high water mark for Malwa was attained in October when the highest price obtained for the drug was \$1,330 per chest, its quotation in the opening week of January having been \$950. The Indian Government sales of Malwa in 1908 amounted to 15,100 chests; henceforward, the quantity to be put up to auction will be reduced by ten per cent. yearly.

The consumption during the last few months has not been satisfactory, partly owing to shipments to America having ceased, and partly owing to a general want of confidence which has kept the consumers in the interior from laying in stocks. Stocks in the interior had run down so low that during the past few days there has been some improvement in the deliveries.

In connection with the dulness in the October-December quarter a feature worthy of special note is the prospective anti-opium legislation which was reported by private telegram from San Francisco. For the large Chinese colonies on the California coast, the Opium Farmers at Macao have hitherto made regular bi-monthly shipments of the prepared smoking opium. The Macao monopolists draw their supplies of the raw opium from Hongkong; they were regular buyers to the extent of two hundred chests a month. But when the Wright legislation was formulated and was in readiness to pass through the final session of Congress so that the American delegates may approach the Shanghai Opium Conference with a clean slate, cable advices were despatched to Macao to stop all further shipments which caused on the 9th November last. For local consumption in the Portuguese settlement a few chests are still bought, but the quantity makes no appreciable difference in the market. To get at the gross value of the year's trade an average is worked out on the basis of prices

colled at three stated periods, thus obtaining for Bengal \$1,000, Malwa \$1,000, and Persia \$1,000 per chest. The total value of raw opium imports is, therefore, \$41,038,320 made up of—

Bengal \$34,045,920
Malwa 5,048,875
Persian 1,943,525

Total \$41,038,320

against the \$17,700,000 of the preceding year. The inordinate rise in values explains the enormous profits to the Government of India. The opium revenue returns published in Calcutta on the 27th November show that the Government of India's receipts from this drug were, up to October, no less than 189 lakhs of rupees better than the estimate.

Quite apart from the \$1,415,000 a year collected by the Colony for the Opium Farm, the colossal value of the opium trade to Hongkong may be gauged by the figures submitted above. There should be no wonder that the Hongkong taxpayers await with so much interest the outcome of the deliberations of the delegates of the Foreign Powers interested at the Opium Conference to be held in Shanghai on the 1st February next.

COTTON YARN.

In dealing with the yarn market, a trade circular notes that "the commercial retrospect of the last year is chiefly remarkable for the numerous fluctuations and incessant decline in silver, producing serious disturbances in commercial operations, great depression in many articles of produce, low prices, and a more or less heavy losses to importers. The review of the yarn market shows this article of commerce to have participated in the general depression, with a few occasional and spasmodic efforts at excitement and animation, and the result of the year's business has been far from satisfactory."

On the principle that there are two sides to every picture, the institution of independent inquiries by a member of our own staff amongst the principals of the large firms of importing houses, establishes that while individuals may have been hit here and there, the key on the whole, the position of this most important trade to the Colony amounting, as it does, to a value of two and a half million sterling per annum has been reversed as between the two years 1907 and 1908. In the former twelvemonth, the record was one of depression, want of confidence, dismal failure, and wholesale bankruptcy. The largest Chinese house had uttered, compounded, with creditors, and others who failed of accommodation were irretrievably lost in the vortex of the immediately preceding speculative mania. This very few knew, who succeeded in keeping their heads above water over the disastrous period of 1907, began to put their heads in order, and with the passing of the stormy petrel, calm began to set in in the early months of the new year, which on the whole has been one of exceptional prosperity to those engaged in the trade.

The Indian trade, so far as Hongkong is concerned, has materially advanced during the past twelve months. Mr. P. Edulji, a broker of long experience in the local market, has the following statistics and observations to offer:—"Imports amount to 210,375 bales as against 146,375 bales last year, while sales aggregated 151,243 bales as against 137,608 bales in 1907, showing an increase of 43 and 10 per cent. respectively. As the evil effects of the late crisis of 1906-07 are gradually disappearing, the country is in a better position to absorb imports, and demand from the consuming districts, despite natural and political disturbances, has been on a much larger scale and on the whole a comparatively good business has been put through. Importations during the first four months of the year met with some profit, and more or less covering prices were obtained; but the market was very quiet, and prices were not steady and values appreciated \$4 to \$5 per bale owing to brisk inquiry. In May a sudden drop of 5 to 6 points in exchange took place, no adequate advance in rates could be obtained, and business was greatly checked in consequence. A brisk demand from the country then set in but as silver continued to decline, the advance in prices was not sufficient to allow much for the loss in exchange and all subsequent efforts to adjust them to the lower level of exchange proved unsuccessful. On the whole, the year under review has been unremunerative to the trade. Except in the case of some best and favourite spinings, prices seldom reached the level of rates ruling in Bombay, and were not for a few occasional instances from Shanghai results would have been more unsatisfactory. It is to be hoped that with the caution which the late crisis has induced and with steady silver and cheap cotton, the operations of the coming year will be a far more profitable and satisfactory character."

It will be observed that our own investigations do not bear out the conclusion arrived at that "the year has been unremunerative to the trade." On the contrary, while views are slightly divergent in the main, the leading importing houses as well as the most prominent Chinese dealers agree in the opinion that 1908 was a lucrative year to those who confined their operations to the legitimate course of the trade without attempting any chances in the hazardous game of dealing in exchange.

At one time the flood which visited the West River districts raised considerable alarm in the minds of local operators, as it was feared, according to the earliest reports, that extensive damage had been wrought in the rice fields. It is true that the devastating visitation was responsible for the loss of a large number of lives and cloths; upon a million people were reported to have been rendered homeless. The rapid subsidence of the Fui River, however, soon disclosed the fact that the large damage had for the most part been wrought along the districts bordering the river banks and while the surrounding country had suffered the rice fields in the inland districts, escaped with only little injury. Rain fell Nature thus provided a rice crop just a trifle below the normal and the purchasing power of the inhabitants in the consuming districts was not accordingly crippled. Hence, it is quite to be expected that the consumption

maintained its normal level. With a good market in Bombay and the steady depletion of stocks in first hands, in Hongkong, prices for all spinings, and in particular the favourite spinings in No. 30, maintained a gradual and steady ascendant movement which was kept up right through to the closing week of the year. It is little wonder then that where prices have mounted high, and higher from week to week, none stood to lose, and more satisfactory still consumers, that is, weavers of the spun cloth, possessed the ability of paying better prices for cotton fabrics.

Nature's visitation which spared the rice fields of the Southern provinces in June, was not quite so propitious in September-October; for the typhoon which swept over Swatow and surrounding districts did much damage, especially at Amoy where for a short while since a falling-off in demand took place. Had it not been for the typhoon the consumption in the Fukien province would have been even greater than it was.

Reference must be made to the tentative efforts of the Japanese Cotton Spinners' Association to capture the China markets for cotton yarn by a resort to no expediency of dubiety character in point of commercial morality. We refer to the proposal to issue with every bale of yarn lottery tickets, or "coupons," as they were called by the Japanese, entitling the holders, originally, to prizes in money and later substituted by prizes in kind. The attempt to gain favour with Chinese by this method was first introduced into Shanghai where representations were made by the Municipal Council to the Japanese Consul-General. In part the latter replied:—"It is at all times the Council's endeavour where possible to obviate preferential treatment of any class of residents in the settlement, and the suppressive measures which have been applied to native lotteries during recent years would fail in their object were a lottery of the present character allowed to function with impunity." The reply of the Consul-General to the Council's note was as follows:—"I beg to inform you that the coupons to which you refer are given away and are not sold, I am therefore unable to see any objection to this method of doing business. Art. XXXIV of the by-laws of the Municipal Regulations, refer to the sale of lottery tickets or chances in lotteries." And as far as we can remember there the matter rests. So far as Hongkong is concerned, however, the ever vigilant British merchants took time by the forelock and made adequate representations through the China Association and the Chamber of Commerce to the Government, with the result that the Colonial Government addressed itself to the Japanese Consul, informing that whilst the "coupons" would be regarded in the character of lottery tickets and would render the importers liable to prosecution, the scheme was nipped in the bud as regards Hongkong.

The institution of the Chinese boycott against Japanese manufactures was another factor militating against Japanese competition with Indian yarn, and if the boycott continues the Japanese mills will be further penalised in favour of Bombay. According to the *Asahi*, the total output of Japanese yarn from January to the end of last month amounted to 801,875 bales. Taking the production for this month at 75,000, the total for the year will not exceed 877,000 bales, a decrease of 107,200 bales on the figures for last year, and is even less in comparison with the figures for 1906, which amounted to 945,000 bales, and for 1905, when the output was 905,000 bales. The export of yarn this year has been very unsatisfactory. Total shipments up to the end of last month amounted to 151,446 bales. Taking the shipment this month at 10,000 bales, the total for the year will not exceed 161,000 bales, showing a decrease of 65,000 bales from that of last year, and of about 16,000 bales as compared with 1907, while the value shows a decrease of about \$7,000,000 and \$10,000,000 respectively.

In round figures Indian yarn distributed via Hongkong throughout South China and Tonkin amounted to some 220,000 bales in 1908. In the respective order of their importance the following were the principal consuming districts, viz:—

West River 50,000 bales
Swatow and Hingning 50,000 "
Yunnan 30,000 "
Amoy 25,000 "

Canton and Patsan 20,000 "
Saingon 15,000 "
East River 15,000 "
Tonkin 5,000 "

At an average price for all counts of \$12.50 per bale, we arrive at an aggregate \$4,750,000 as the value of cotton yarn imports into Hongkong in a normal year.

The influence of the silver market on current quotations for yarn may be traced in the fact that in the beginning of the year exchange stood at Rs. 143, and is now quoted at about Rs. 127; best spinings of No. 18, were sold at \$6 to \$8, and are now quoted at \$10 to \$12; unsold stocks in January were estimated at 48,000 bales, and the market now closes almost lifeless with a trading stock of 19,000 bales.

The past twelve months have been very successful to our native dealers. Their proceedings have been marked by extreme caution, and their purchases principally confined to actual requirements under country orders.

FLOUR.

With a very rich trade field in China where Hongkong forms the rallying point, the Oregon and Washington mills practically held undisputed sway of the flour trade, with the unfortunate collapse of its erstwhile formidable competitor, the Hongkong Flour Milling Company. The revised figures of importations for 1907, including the output of the Junk Bay Mills, aggregated no less than 4,010,000 bags; for the year under review amounted to 3,900,000 bags, representing a falling-off in bulk of 1,040,000 bags against 1908. Of this deficiency, the product of the first half of the year of the local mills accounts for 600,000 bags, the nearest estimate that can accurately be arrived at by any degree of

approximation, since no reliable official figures are available for publication of the Hongkong Milling Company's 1908 output. The wheat importations on the local Company's account figure out the estimate of 600,000 bags by expert computation. Deducting that quantity from the total decrease for the year, there is a balance of 440,000 bags yet to explain away when the year's deficiency is taken into consideration. This decreased import is capable of satisfactory explanation when the causes for the decline are inquired into, as they will be presently examined.

With an average ruling price for the year at \$17.5 (Mex.) per bag, it will be seen that as a staple commodity, next after rice and sugar also, flour bulks largely in the commercial statistics of the port. The total intrinsic value of the importation is no less than \$8,775,000 for 1908. The extreme rates of cost, per bag, ruling is \$1.35 to \$2.40 as the highest prices, and \$1.10 as the lowest. The disparity in values has been owing to certain special features in the economic conditions of the trade, and is also to be accounted for by the lower exchange value of silver ruling towards the end of the year, which is responsible for the higher selling prices of flour in Hongkong. As the year approaches its close, an indignant demand for wheat arose in the European markets, resulting in extreme prices in the United States; this, coupled with lower silver exchange, forced up local prices in China. It may be explained that the controlling influences in the price of wheat in Europe are dependent upon the United States, the Black Sea, and the Argentine Republic, in the respective order named. The poorer yield of the Russian wheat crop this year stimulated quotations in America, which found its reflex to the detriment of the interests of consumers of the ground-product on our own market.

The lowest price of \$1.10 per bag was recorded in the months of July and August.

We need not travel far afield to discover the explanatory causes for the reduced importations into Hongkong for 1908 as against the record year of 1907. The reasons are four in number, and may be enumerated as follows:—

- 1.—Unfavourable exchange, i.e., lower gold value of the purchasing medium in the country.
- 2.—Financial stringency in North China.
- 3.—Freedom from catastrophic floods in North China.
- 4.—Comparatively light stock on hand at present.

As for the first of the foregoing reasons, it needs no very great perspicacity to discern that with the lower purchasing power of the silver dollar, importations into China, with a silver standard of currency, either of merchandise or other commodity, must suffer correspondingly. Rice forms the staple food of the Chinese, and unless flour can underbid the grain, which Mother Nature has provided for the natives in the country, they are not likely to wean themselves from a staple article which the palate of the indigenous labourers has been accustomed to for centuries. This is not to say, however, that the possibilities of greater developments in the flour trade, must be measured by the comparative standard of this article of commerce in 1908. That the Chinese have acquired a taste for biscuits, and that American flour is largely kneaded into bread and cakes, which find their places on the everyday table of the better-class Chinaman, is a matter of such commonplace knowledge that it requires no prophetic forecast to discover that with the leavening influence of Western civilization the growth of the trade can be said to be yet in its infancy.

As for the second of the foregoing causes, the collapse of some of the wealthiest Chinese banks and houses in Newchwang, and certain failures of the exchange houses in the North ports brought about considerable restrictions in trade through the scarcity of ready money. The Northern districts drew heavily on Hongkong stocks for their supply of flour in 1907, and as such money became tight this year the wherewithal for purchases from Hongkong ran short, and thus the Northern outlet narrowed for the past few months. This is a condition of affairs which, there is every reason to hope, is only temporary and is susceptible of improvement with the restoration of confidence in the native money market in the North.

Readers will recall the existence of the calamitous famine in the Northern Provinces which called forth the organising upon an extensive scale of relief measures in the execution of which calls had to be made upon the flour godowns of Hongkong. Fortunately for the inhabitants in the Northern territory this year the floods did not inflict nearly the injury which the country suffered two years ago. It is true that the devastating freshets of the West and North Rivers brought untold misery upon hundreds of thousands in Kwangsi and Kwangtung, in whose aid the biscuits baked in Hongkong and generously donated towards the Flood Relief Funds of Canton formed an infinitesimal part of the provisions hurried to the scene of misery and hunger by the charitable societies of Hongkong and Canton. This extraordinary demand can, therefore, be regarded as almost a negligible quantity.

Approaching the last of the four causes, we find the ray of hope in an improvement in the flour trade which has been a wholly unprofitable one this year, in marked contrast with the remunerative operations in the preceding twelvemonth. Whereas the glut in Vladivostok and Manchuria brought about an artificial flow into Hongkong in 1907, that year closing with a heavy stock in the Colony, most of the godowns being stored with flour literally from floor to ceiling, to-day finds merchants with very light stock indeed, former supplies having been worked off as demand arose in the course of the year.

A notable feature in the year's trading is that at no time during 1908 has flour been on a parity with wheat. The price of the former in Hongkong has actually ruled, on an average, at something like twenty cents (Mexican) per bag below the cost of the wheat in America used for grinding into flour; this applies especially to the second half of the year when

the new crop has been harvested. The result is that both millers and merchants alike have worked at a loss, while Chinese intermediaries between importers and consumers have barely secured a margin of profit, since the latter's earning powers being limited could not answer to the call for higher prices which a lower dollar imposed upon them to the benefit of none interested in the trade. Paradoxical as it may appear that current market prices for flour and wheat should be on the increase, the fact is nevertheless explained by competent authorities that the United States must look about for a market for the super-abundant products of her prolific fields.

With such a peculiar condition obtaining it was little wonder that local merchants felt their way extremely cautiously, and thanks to the policy dictated by a considerable degree of prudence no heavy stocks were carried, and dealers accordingly got off, in an exceptionally trying time, with, comparatively speaking, light losses.

It was in this absence of parity rock, which none could foresee, that unhappily the Junk Bay broke foundered. The reasons which circumvented the failure of the late Mr. A. H. Rennie's enterprise are explained in Portland as several, among which two in particular stand out clear and distinct. One was the inability of the new millers to induce the clanish Chinese buyers to take up new brands of flour. The Portland Flouring Mills Company, pioneers in the field from the Pacific Northwest, and still the dominant factor in the flour trade throughout the Orient, had for more than twenty years been selling the same "chops" or brands to the Chinese, and in a land where accomplishment of any kind of an economic change is a matter of centuries, it was almost an impossibility to wean the Orientals away from the Portland brands to which they had become accustomed. The other insurmountable handicap was the impossibility of getting rid of the "offal," as bran, shorts, and mill feed are termed. Most of the wheat used at the Hongkong mill was imported from Portland or Puget Sound. The freight rate across the Pacific was about the same as the rate on flour, but every ton of wheat contained more than 50 pounds of bran, shorts, etc., for which there was no market after the mill had separated it in the Orient. This enabled the Portland and Puget Sound millers to ship in its manufactured state 2,000 pounds of flour at the same freight rate that the Hongkong miller was paying for about 1,500 pounds in the shape of wheat. It was also urged, in further explanation of the local Company's collapse, that the Hongkong miller could neither use nor sell to advantage this extra 500 pounds of "offal" on which he had paid the freight while the Coast miller, quite to the contrary, found an ever-increasing market at high prices for all the mill feed that he could produce. The development of the Manchurian wheat fields may, in the future, supply Oriental mills with a cheap supply of wheat and enable them to compete with the Oregon and Washington mills, but expert opinions coincide in the view that it will be many years before the change can be accomplished, probably not before the ever-increasing population of the United States raises the surplus which is now forced to seek a market beyond the seas.

The absolute failure of the first big milling project in South China leaves the Oregon and Washington millers more firmly entrenched than ever in the field of which Hongkong is regarded as the dominating centre. However that may be, the mammoth plant in Junk Bay is a gloomy monument to the enterprising spirit of its promoters. Recently a couple of the Pacific Coast millers paid a visit to the Colony, with a view to its inspection, while a Taipei dispatch dated the 16th instant to the *Orka Jiji* says:—"The Hongkong Flour Mill Company, which at one time figured prominently in the flour mill industry in the Orient and dominated the flour market in Formosa, has failed, and is now seeking to dispose of its business together with machinery and all other property and stock-in-trade, at a price of Y610,000."

In 1907 Australian flour, for the first time in the competitive history of the trade, assumed a prominent position as a factor against its American rival. Its partial success, due partly to an extraordinary quagmire like the American boycott, was of short duration, as flour from the Commonwealth was almost wholly eliminated from our import statistics in 1908. It was unable to compete in this market for the reason that wrought the ruin of our incipient industry. For the first time also, in the history of the trade, Russian representatives visited the Colony in the course of the year with a view of exploiting the China market with flour from the Manchurian mills, of which there are no less than twelve in Harbin alone; of these seven are lying idle. Trade conditions do not warrant their starting up again; moreover, wheat supplies have been found deficient in quantity. After a searching investigation the Russian representatives took their departure comforted with the hope that, with an eminently practical people like the Chinese, a market for any commodity at all is capable of exploitation so long as rival concerns can fight one another in regard to prices, for upon that question alone the problem resolves itself.

COAL.

We are indebted to Messrs. Hughes and Hough for the following report on the coal market for the year 1908:—"There has practically been no change between this year and 1907 in the coal market except on contracts which have shown a slight advance in prices. The principal consumers all had their coals contracted for and very few extra sales have been effected during the year under review. The following is a General Review for the year:

Japanese Coals.—About 80,000 tons reached Hongkong during the year, the quantity being about the same as 1907. The Mitsui Bussan Kaisha being the largest importers contributed over 400,000 tons including those cargoes discharged at Canton. As mentioned in our last year's report, small steamers with full and/or part cargoes are now going direct to Canton for discharge thus saving the local hire

between this and Japan. The Mitsui Bishi Goshi Kwaihsan rank second in the list of importers, the quantity imported by them amounting to about 150,000 tons. They are importing to the Peninsular and Oriental Steam Navigation Co., Canadian Pacific Railway and other Steamship Companies. The principal loading ports in Japan are Moji, Kuchino, Karatsu and Mororan, the latter port being the leading port for Yubari Lump Coal.

Cardiff Coals.—About 50,000 tons arrived here all of which was landed into godowns. Forty thousand tons came to the Admiralty. Small sales were effected ex godowns and/or trimmed into bunkers.

Australian Coals.—The Messageries Maritimes Company whose arrivals amounted to over 38,000 tons imported the coal for the use of their Mail Steamers. Other arrivals from Australia aggregate about 40,000 tons, a small portion of which was sold to Chinese; the bulk, however, was taken into consumption by the importers.

Bongal Coal.—There being no demand for this coal, no local firm imported any into the Colony during the year for sale.

Hongkong Coal.—Some 95,000 tons reached by small steamers, most of which vessels proceeded to Canton with their cargoes.

Pulo Laut.—Only a few small steamers of about 2,000 tons arrived during the year.

Tsingtau Coal.—There is practically no demand for this coal, the list of arrivals being of no importance.

Tourane-Kebao and Haiphong Coals.—Several small steamers with these coals arrived during the year all of which proceeded to Canton for the discharge of their cargoes.

Tairen Coal.—During the middle of December the *Shibori Maru* arrived here with 4,000 tons of Bulen Coal, this being a new coal from South Manchuria. The Mitsui Bussan Kaisha are the importers and the whole cargo was sold to Chinese.

Summarising Messrs. Hughes and Hough's figures we obtain the following results:—

Origin	Tons	Value
Japanese	850,000	\$8,500,000
Cardiff	50,000	1,500,000
Australian	78,000	945,000
Hongkong (exclusive of direct shipments to Canton)	50,000	450,000
Pulo Laut	2,000	16,000
Manchurian	4,000	32,000
Total	1,034,000	\$11,133,000

RAW SUGAR.

The extraordinary energy employed by the enterprising Japanese in the development of the sugar refining industry has told against importations of cane sugar from Java into Hongkong. In former years the quantity imported reached as large a total as 4,000,000 piculs annually, but with direct trade to Japan and the enlargement of sugar-refining plant there, Java imports into Hongkong dwindled to two million piculs in 1908. Philippine sugar has also entered into competition with the Dutch product in the Hongkong market, which continues to receive, in annually diminishing quantities, raw sugar from Penang and Mauritius. The aggregate quantity from these three centres of production, imported into Hongkong cannot be more than from 500,000 to 700,000 piculs a year. China sugar, principally from Swatow and Hoihow, still finds a place among our imports, but does not represent any big bulk. Beet sugar, which was consigned to German firms exclusively, from Europe, was debarked from admission in 1908, by the low silver exchange. The best product was largely exported by Germany, Austria and Russia, to China where silver ruled high.

Of the 1908 crop of Java sugar, the exact quantity to the picul exported to Hongkong from 1st May to 31st November, amounted to 1,401,161 piculs, equivalent to 85,074 tons, showing a decline of 116,528 piculs as compared with the corresponding period for 1907, and 390,498 piculs for 1906. These figures tell their own tale as to the seriousness of Japanese competition. The quality of the sugar imported from Java is of Nos. 13 and 14 with standard and is of an average price of 57 per picul. Philippine sugar is cheaper and is rated at from \$4 to \$6 per picul. Of the estimated two million piculs imported, it is reckoned that 14 millions are absorbed by the two local refineries—the China Sugar Co. and the Tai'koo Refinery at Quarry Bay. Of the remaining quantity (500,000 piculs) part is re-exported to the Northern market and the rest is melted in the process of manufacture locally, such as in the ginger and fruit preserve industry. The total value of the raw sugar imports into Hongkong in 1908 is computed by large sugar merchants at twenty million dollars.

RICE.

In this section our statistics relate only to imports from Siam. They are said to amount to five million piculs in 1908, of which 13 million is "white" and 31 million "cargo". Their respective average prices for the year were \$3.50 and \$4 per picul. Thus the net value of 8 am rice imported and passing through Hongkong for markets beyond aggregated in value \$23,350,000. The result of the trading, according to best reports, has been just fair. The bulk of the cargo is consumed in Kwangtung and a small quantity is shipped on to Japan. Strange to say, Hongkong acts also as the distributing centre for Bangkok rice to certain Java ports. The Siamese staple commodity is not handled by Chinese houses exclusively for the British firms of Jardine, Matheson & Co., Ltd., and Butterfield and Swire have also cargoes consigned to them for transhipment to Seattle and Pacific Coast ports. Messrs. Gibb, Livingston & Co. handle the shipments destined for the coolies in South Africa.

SHIPPING.

As in last year, in compiling this section of the year's retrospect the reviewer's task is reduced to a minimum by the facility accorded him of a partial of the retrospect of the freight market for 1908, usually drawn up with such exceptional knowledge of the subject by the important Norwegian firm

of steamship agents, Messrs. Asgaard, Thorsen & Co. It is, on the whole, a gloomy picture of trade depression which has to be presented; for the year closing to-day has been one of exceptional inactivity in all over the East, low freights ruling all forced to lay and many steamers have been Hongkong, for various reasons, notably these circumstances it is employment. Under few owners have attempted to sail very vessels out this way for the purpose of either on the Coast, and had it not been that homeward freights have been so miserable, that owners had calculated with a certain loss, several of the older boats would undoubtedly have been sent home. Of course the dull state of the freight markets in other parts of the world also, to a certain degree, accounts for some of the old, and, for the coasting trade, unsuitable steamers remaining here, owners apparently preferring to keep them out East as long as possible, in the hope that things will again improve.

FROM BAD TO WORSE.

At the time last year freights were going from bad to worse. Early January brought a further depression, and the usual listlessness, owing to the approach of China New Year, further accentuated the bad state of the market, while reports about abnormal falls in Indo-China threatening the crops, also affected the market to some degree. At Saigon old crop cargo was getting scarce and rates to Hongkong dropped to 8 cents per picul. At the beginning of the month Saigon to Java was fixed at 10 cents. Later on, however, rates rose to 13 and 11 cents, at which a small number of steamers found employment. Pulo Laut to Hongkong was done at \$2.25, and to Kuching at \$1 to \$2.25 was obtained. Coal freights remained idle with very little inquiry, Haiphong to Canton being fixed at \$1.60 and Moji to Swatow at \$1.40. By the middle of the month so much idle tonnage had accumulated that a sudden large inquiry for tonnage which set in from Saigon to Hongkong merely had the effect of bringing the rate up to 14 cents, at which quite a number of boats were chartered. A couple of charters were also effected for consecutive voyages, commencing February, at 16 and 17 cents to Hongkong with option of Canton at 10 cents. To the Philippines, a better inquiry set in, and rates rose to 23 and 25 cents, in one instance to 27 cents, and speculators began thinking that the market would improve sufficiently to allow them to take boats on time with a profit.

A SPECULATIVE VENTURE.

February opened quietly in all directions with the exception of Saigon to Hongkong, where the inquiry was well maintained and quiet a number of boats were taken up at rates ranging between 14 and 16 cents per picul. To the Philippines, rates also improved a little, 26 to 28 cents being obtainable, and some fixtures were concluded at 14 and 15 cents to Java, while Saigon to Singapore, in one instance, was done on the basis of 16 cents per picul. The anticipation that rice freights would rise to the same level as in the previous year, induced speculative steamship agents to fix a two-thousand tonner at \$4,700 for 4 option 6 months. The result of the venture, however, ultimately turned out a complete failure, as the market after Chinese New Year took a decidedly discouraging turn. The unfavourable exchange influenced the Bangkok market and no business was done in this direction to Hongkong and Singapore, and even the liners found difficulty in getting full cargoes. Coal freights were neglected, \$1.25 being top rate from Moji to Hongkong. Wakamatsu to Canton was done at \$1.90 and from Luban to Hongkong \$1.75 was paid, while a fixture took place at \$1.60 from Kuchino to Singapore and another at \$1.75 to Hongkong.

MAINSTAY OF THE MARKETS.

Rice freights from Saigon to Hongkong continued to be the mainstay of the markets during the first half of March. The inquiry, however, gradually subsided, owing to the fall in the price of the commodity at Hongkong, and freights which had crawled up to 16 cents again went down; the rate at the end of the month dropped to 13 cents with scant inquiry, as compared with 19 and 20 cents for the corresponding period in the previous year. Philippine freights kept steady at 15 to 18 cents for one, 16 to 30 cents for two ports, according to the size of the cargoes. Cent rates no longer give a correct idea of this market, as steamers employed in the Philippine trade as a rule do not secure full cargoes, 14,700 piculs being a fair average of the cargoes shipped and 19,000 piculs a fair average size of the steamers employed. Formerly, the average size of the cargoes used to be some 20,000 piculs, and this is still a favourite size at the beginning of the year when the cargo is wet, but the gradual withdrawal of such steamers from the Southern market has, as stated, had the tendency of increasing the cargo size and it is expected that in time to come the average will increase so as to suit the vessels better than it does at present. Saigon to Java was quiet and only one boat, which secured 24 cents, was fixed in this direction. The first fixture of the season was effected from Newchwang to Canton. The opening rate of 30 cents for part cargo, with liberty to complete at Chefoo for owner's benefit, could not, however, be maintained, and at the end of the month 25 and 26 cents were accepted. Chefoo and Yangtze River ports came in the market to Canton, with the result that many of the regular liners, which, owing to lack of cargo had been thrown on the open market, again found employment in this direction. The opening of Tientsin helped to improve matters, and Bangkok also came into the market; several of the regular liners which, owing to lack of cargo, had been employed in the Saigon, Hongkong and Singapore trade were again put on the berth as there was a few outsiders at 27 cents inside the bar and 20 cents outside. A perceptible improvement took place in coal freights, and rates rose to \$1.50 Moji/Hongkong, \$2.25 Wakamatsu/Canton, \$2.25 Karatsu/Canton, \$3 Pulo Laut/Kuching, and \$3 from Hongkong to Canton, several orders being unobtainable owing to lack of suitable tonnage. The Java market was, however, very dull, with little inquiry, no more than 20 cents being obtainable.

Continued on pages 4 and 7.

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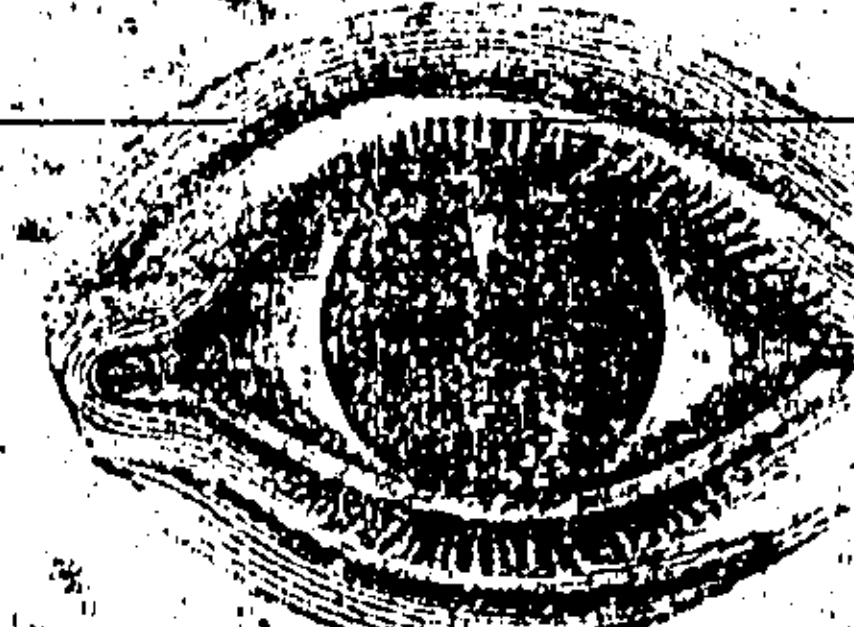
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